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ABSTRACT

"Intrapreneurship" is a coined word to describe people who function as entrepreneurs within corporations by implementing new ideas inside established companies and/or by creating and marketing their own ideas while employed in corporate positions. A field study examined the feasibility of using the concept of intrapreneurship to help Zambian companies become more structured in their efforts to develop new businesses. An unspecified number of persons from Lusaka were interviewed to determine the kinds of procedures Zambian companies use to identify business ideas with the potential for success, personnel suitable for intrapreneurship, the sorts of freedom required for intrapreneurship to flourish, and the forms of recognition of achievement best suited to intrapreneurs. The interview results were used to develop a step-by-step method of business development in mature organizations in Zambia. The method details the process of generating a "business developer" by identifying an "idea carrier" and creating a "climate of opportunity" shaped by mentors within the company. (Contains 40 references. Appended are the survey questionnaire and a summary of the proceedings of a July 1993 seminar on the entrepreneurial personality and intrapreneurial ventures.) (MN)

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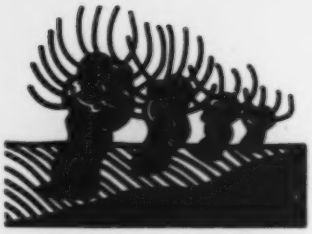

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Implementation of intrapreneurship inside large, mature Zambian companies – A method

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IMPLEMENTATION OF INTRAPRENEURSHIP INSIDE LARGE, MATURE ZAMBIAN COMPANIES – A METHOD

Jonas Thuresson

Thuresson, J. Implementation of intrapreneurship inside large, mature Zambian companies – A method. *Educational and Psychological Interactions* (Malmö, Sweden: School of Education), No. 116, 1994.

Zambia is today suffering from great social and economic pressure. Economic life is trying to adjust to these circumstances, and also to the Government's implementation of a free market economy. Can intrapreneurship support the companies to become more innovative, and thereby survive? I believe that Zambian companies will, in intrapreneurship, find a method that will help them to become more structured in their efforts to develop new businesses. The challenge is to change attitudes among managers, and to decentralize the organizational structures. My "step-by-step"-method is one suggestion how to guide companies into the right direction. Supervisor of this Minor Field Study has been Gudrun Ekstrand.

Keywords: Business development, business plan, intrapreneurship, Zambia.

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1 INTRODUCTION

Why did I become interested in Africa and in doing a MFS (Minor Field Study)? My interest in Africa is due to my friend Louise Hallgren in Stockholm. In the summer of 1992, Louise and her girlfriends visited Zambia and when they shared their experiences with me, I said to myself that I would also like to visit Zambia.

When I started my studies in the autumn of 1993 at the School of Education in Malmö, Gudrun Ekstrand, Ph.D in pedagogy at the School of Education in Malmö, informed me and my class that she was responsible for MFS at the school. The information made me curious and I felt attracted by the possibilities and challenges. Therefore I sent in my application and so my MFS began.

But what was the subject of my MFS to be? Before I began my studies in Malmö, I was employed at a consulting company in Lund, "Albatross78 Företagsutvecklarna AB". One of my tasks was business development in large, mature companies. I felt that my experiences from this area perhaps could be a subject of research. I would like to thank South Development in Lund for their help in providing me with contacts in Lusaka, and Lyra International Ltd. in Lusaka for their successful efforts as supervisors and making appointments for my interviews.

2 ZAMBIA - BACKGROUND

The following discussion is primarily based on "Zambia - Country Profile"[1] .

2.1 The economy

Until 1975 Zambia was one of the most prosperous countries in sub-Saharan Africa. This wealth, and development of infrastructure and public services which went with it, was, however, founded on one export - copper. This mineral dependency has made the Zambian economy very sensitive to external shocks. When the world copper price slumped in 1975, so did the rest of the economy. Zambia was left with a legacy of debt, foreign exchange shortage and falling output. To add to the country´s problems, copper reserves are declining rapidly. Parallel with the austerity programme in 1983 with IMF backing, the government embarked on a series of measures to restructure the economy.Early emphasis on import substitution industries was later replaced by incentives to develop export industries, and the agricultural sector - received new encouragement. It is, however, a mark of the size of the task that agriculture will have to more than double its share of the GNP in order to have any chance of eventually replacing the mining sector.

The basic economic philosophy underlying the First, Second, and Third National Development Plans in Zambia has been to correct the structural economic imbalances and lopsided development which stem from the mining industry´s dominance of the Zambian economy.

It is generally recognized that an undesirable consequence of the lopsided nature of Zambias economy was its overall dependency on copper mining and export and its concomitant dependency on the vagaries of marketing copper in overseas markets[2] . The thrust of the policy of industrialization was therefore to seek less dependency through the promotion of small-scale industries.

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[1] The Economist Intelligence Unit, Zambia - Contry Profile 1992 - 1993.

[2] Dubell, Zambia - en ekonomi och politik i en frontstat, p 69.

One of the major consequenses of Zambia´s dependence on the fortunes or misfortunes of copper exports in the international market was the shortage of foreign exchange, which in turn adversely affected employment in the manufacturing sector - a sector heavily dependent on imported raw materials.

Distribution to rural areas was very much a function of the economics of transportation and warehousing rather than need as state monopolies increasingly found it uneconomical to deliver limited supplies over long distances. Because of these problems distribution of essential commodities, under a regime of price controls, was tilted in favor of urban areas and against rural ones.

The lack of clear government policy on private enterprise also affected supportive facilities such as bank branches which continued to be dictated by the same forces of the market place which had inhibited the growth of small business in the colonial era.

During the First and Second National Development Plans, government investment in the manufacturing sector generally took place in large and/or medium-scale industries. The vigorous attempts by the government to industrialize were not extended to the promotion of small-scale industries. This oversight was unfortunately compounded by directing new investments into industries which were highly capital-intensive and which generated little additional investment. This strategy had certain undesirable consequenses in that it led to high capital requirements to create a job.

On 1 of May, 1987, the Zambian government abandoned the IMF economic programme because of the lack of economic progress but also because of the social hardships and political unrest it was entailing. For example, when food subsidies were removed, there were riots. The difficulty in following the economic recovery measures prescribed by the IMF is a sign of the social and human dimensions of the crisis as Zambia has declined from being a prosperous, middle-income country to being a low-income country.

The IMF packages were replaced by the New Economic Recovery Programme and more recently by the Fourth National Development Plan. This is based on the concept of "growth from our own resources". It contains the usual Government objectives for economic progress but adds to these a focus on population, women and youth issues.

The Fourth National Development Plan 1989-1993 (FNDP), launched in January 1989, was a first step back towards IMF style policies. In 1991, however, with the elections looming, the government reneged on major reforms, leading to the suspension of aid. The new government was quick to normalise relations with donors in early 1992 when a 1992-1994 Policy Framework Paper (PFP) was drawn up.

In August 1991 a new constitution was adopted. The Movement for Multi-party Democracy (MMD) with the trade union leader, Frederick Chiluba, won the election in October. It replaced the 1973 constitution under which the National Independency Party (UNIP) of Dr Kenneth Kaunda had been declared the only legal political party.

The MMD came to power with a commitment to rewrite the constitution which had been based on proposals by a commission appointed by the then president, Dr Kenneth Kaunda. The new government also promised to introduce a free-market economy, to let the market forces create a foundation for development.

Zambia´s decline from being a middle-income to a low-income country has increased the incidence of absolute poverty and changed the pattern of relative povery. Economic decline has most seriously affected the urban population so that the income gap between urban and rural areas is still widespread, it being estimated in 1980 that almost 80 per cent of rural households cannot satisfy their basic needs. The extent of poverty has to be taken into account when the costs for education are being increasingly shifted to the family and the community.

2.2 Employment

The problem facing almost all developingcountries of creating sufficient new jobs each year to keep up with the growth in the labour force caused by high birth rates has been exacerbated in Zambia by the very high rate of urbanisation,the high wage levels prevailing until recently, and development policies which encouraged capital rather than labour intensive industrial investment and neglected the small-scale and rural/agricultural sectors .

The population of Zambia is growing rapidly. In 1963 the population was 3.5 million, in 1980 it was 5.7 million and by 1988 had further increased to 7.5 million. Today, 1993, it has reached the sum of approximately 8.5 million. The rate of growth of the population is estimated to be 3.7 per cent per annum in the current period 1985 to 1990. This is higher than the African average of about 3 per cent per annum and is among the highest in the world.

The population is very unevenly distributed. Zambia is the third most urbanized country in Africa, after Algeria and South Africa. Approximately 43 per cent of the population live in urban areas.

In the immediate post-independence era, the government´s main aim way to close the gap between African and non-African incomes, with the result that the former rose rapidly, with average increases of some 10 per cent a year in the decade to 1974. Prices, in contrast, rose by only 5-6 per cent a year due to the government policy of controlling the prices of all "essential" goods and subsidising the prices of some, such as maize meal. Further substantial wage increases were awarded in 1975, but thereafter wages were largely frozen until 1979. Price inflation accelerated rapidly during the period, reaching 20 per cent in 1977.

The government has made successive attempts to introduce a formal wage policy and the machinery to sustain it. Until the late 1970s, however, the main trend in incomes was a growing disparity between rural and urban levels. Even within the formal sector there were considerable disparities. During the decade of 1980 the economy of Zambia was hit several times by national strikes and riots. Wages and prices increased parallel and in 1991, because of galloping inflation, workers continued to demand higher wages. Public-service workers were awarded a 100 per cent rise in August 1991 and there were further increases in many sectors in early 1992 in response to numerous strikes.

Added to a general shortage of consumer goods due to recession and import cuts, price decontrol led to a rapid acceleration in the inflation rate, with low income earners worst hit. By October 1985, when foreign exchange auctions were introduced, the year by year increase in the low-income consumer-price index was approaching 49 per cent. The subsequent devaluation of the kwacha added further inflationary pressure and the annual increase in consumer prices was over 60 per cent by the end of the year. This upward spiral has accelerated over the years, and in July 1993 inflation was approximately 185 per cent.

Even though formal employment increased faster than in most African countries in the first decade after independence as a result of the rapid overalll growth of the economy, it never - even in the boom years of 1970 -75 - accounted for more than 30 per cent of the total labour force. Since 1975 waged employment has stagnated with the economy. Government estimates indicate that formal sector employment as a percentage of the total labour force declined from 23 per cent in 1980 to just 9 per cent in 1991. Formal sector employment declined by 4.7 per cent betwen 1990 and 1991 to stand at 360 000 compared with over 400 000 in 1980.[3]

In the mid 1980s private sector employees accounted for about 25 per cent of the total, with the remainder divided almost equally between the parastatal and fully public sectors. Since 1983, however, the need to resuscitate and restructure the economy away from copper and import dependence has seen a change in these policies. Civil service employment has been cut and the parastatals have become leaner. The main emphasis since 1983 ha been on the generation of employment in the rural sector generally and agriculture in particular, and on the development of

[3] Palmberg (Ed.), Afrika på fel spår, p 224.

smaller-scale and labour-intensive industries in urban areas. In this way, the government hopes to build on the flourishing informal sector in the main urban centres.

Today, the informal sector provides over 30 % of household incomes, employing three times as many people as the formal sector. The informal sector is the main source of income for women.

2.3 Economic life...

The following part is based on unstructured interviews with Swedish companies with experiences working in Lusaka, Zambia.

2.3.1 ...in Lusaka

There are major socio-economic gaps between the employed and the employee, which create an environment where the personnel aren´t given opportunities to be educated or invested in[4]. Company managers often take the attitude towards their personnel that they don´t respect the value of well-educated and well-being personnel. The company management must make efforts to be more decentralized and not as hierarchically oriented as today[5] . They must also accept personnel to be creative. But to change these attitudes will most probably take many years, since the attitudes are products of culture.

Existing unions have no actual power. They are just political marionettes, although in private companies the personnel usually have some influence, even if it actually still is of minor importance[6].

There is no satisfying relationship between companies, local authorities and institutions such as the University of Zambia etc. Participants do not try to win the synergic effects by using and complementing each others strengths and weaknesses. Existing networks are of informal character and not organized in forms to win the above advantages.

It will be necessary for the economic development of Zambia to invest time and money in industrial life and thereby try to diversify the industrial and manufacturing sector. Zambia is still too dependent on few income sources. To create new job opportunities, diversification is a must.

It´s the "seller´s" market in Zambia, meaning that the labour-force is cheap. This creates an incitament to the companies to rather buy know-how from competing companies, instead of building their own internal know-how bank. There is therefore no reason for companies to invest in personnel. First of all, you must be able to prove the importance with internal company strengths, to prove the values of a good, competitive staff[7] .

AIDS at work is another problem in Zambia. HIV-infection raises industrial relations and human resources dilemmas for the employer. One solution is to formulate a purposeful corporate AIDS education policy. Some companies have taken a progressive line in their hiring policies. Their medical criteria for employment is fitness to fulfil the job requirement. Pre-employment HIV screening is rejected[8] .

From a know-how perspective, this is a frightening problem. Statistics show that approximately 25 per cent of the inhabitants of Zambia suffer from HIV, and among the elite (well educated) the per-

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[4] Claes-Göran Hallberg, Team Offset

[5] Claes Eriksson, Duro Offset

[6] Christer Janseus, Förlagshuset Norden AB

[7] Eva-Lena Grönberg, South Development

[8] Profit, nr /71 June, p 21 - 22

centage is even higher. Therefore companies have to identify personnel with HIV and find a method to spread their knowledge to fellow employees. Of course, this approach will not be possible - due to ethic and moral commitments. Therefore it will be necessary to change the management attitudes and make them alter the centralised and stiff companies into learning companies. A Swedish medical doctor with experience from developing countries, said at a seminar that he and his colleagues don´t talk about development countries anymore. They discuss them as "less income-countries", since there will be no development, due to the HIV-problems in the elite which will result in the accumulated knowledge dying with them.

3 PURPOSE AND PERSPECTIVE

The purpose of the MFS is, from a Top Management perspective, and at an individual level, to develop a suitable method in how to implement intrapreneurship inside large, mature Zambian companies.

4 BUSINESS DEVELOPMENT

The following section is based on western economic theory.

4.1 Economic influence and obstacle for active innovative business

Economic growth demands development, new thinking and positive atmosphere to change. Perhaps it is innovations that are the most important factor of economic growth. Successful innovative business leads to economic expansion and less employment problems. It also provides economic expansion by increasing export and reducing import.

Inspite of these facts, (which speak for themselves), people seem to prefer the established and familiar, which leads to existing companies growing even bigger. This opinion about the established invulnerability could be disastrous because people feel less motivated for their work in these kinds of large companies. The distance between decision and execution is longer. Finally the personnel become alienated[9] .

Innovative obstacles are lack of knowledge, company-hostility in the community, a social welfare system that passivates people, lack of award-systems, bureaucracy, negative tax-systems etc. These obstacles will together or each apart result in an environment that does not stimulate people to develop ideas into a commercial business[10] .

All new industries has historically, been the result of "new starters" that have developed an invention. If a company wants to develop, it must try to find an environment that is similar to that of the new starting company. Companies started by inividuals have often better growth than companies

[9] Edström, Förnyelsens ledarskap, p 73

[10] Johannisson, A cultural perspective..., p 58

started by organizations. Therefore this type of management demands an environment that provides freedom, and a high grade of interest is finally reaching a satisfying result.

Innovative business is not the same as industrial research and development (R&D). R&D focuses on product-development and tries to adjust the product and make it more competitive and attractive for the customer. Innovative businesses focuses instead on all kinds of activities that are required to establish a product in market. Companies which want to survive in the long term must find a company-environment that permits innovative business and R&D to complement each other.

The ability to manage innovations differs greatly from country to country. The reasons can, in many cases, be explained in political and cultural terms, but how can differences in industrial outcome between two local authorities be explained? Local infrastructure is of great importance to the new-started companies. Positive infrastructure within the local authority means that new companies have access to know-how and equipment from many small-scale companies in their local authority. If there is a dominant company in the neighbourhood, this could undermine the possibilities to create a positive infrastructure, because important knowledge will be of advantage to the big company and not to the new starters. A large number of smaller companies create a stabler local employment atmosphere because they aren´t as sensitive to trade depressions as large-scale companies are[11] .

4.2 Necessary conditions for an innovative process

Every company started out small-scale, from an idea or an invention. To be a successful company, the idea or invention demands not just a suitable environment but also an entrepreneur. This entrepreneur shows a never-ending flow of energy, beliefs and strong determination. These companies and entrepreneurs create a society that prospers and gives the inhabitants job opportunities. But instead of giving support and stimulation to new companies, we tend to make large companies even larger and because of this "new starters" have to give up.

Innovative business can be defined as a life insurance for companies that live and work in a mature business-environment.

Main components that are of importance for growth are the following[12] :

1 idea/invention

2 financial capital

3 environment

4 entrepreneur

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11 Johannisson, Local mobilization..., p 79

12 Ottosson, Lönsam Innovationsverksamhet..., p 37

4.3 Creative environments for entrepreneurs

How can we create a dynamic environment for entrepreneurship? On one hand individuals should be supported in making up their own minds, for example in maintaining their personal values and personality, on the other hand the context should not only be generally permissive but richly furnished with meeting-places for such strong-willed people. Different frames of reference will thereby be produced, maintained and confronted[13] .

Spontaneous discoveries will emerge. Corporate or local culture should thus reflect values that support initiative and innovative ways of doing things. The organizing role of corporate management or community leaders is then to protect the corporation/territory from being externally controlled, for example through public regulation and industrial recipes. The entrepreneur should be offered a reservation where he can go on developing his business by sharing experinces with fellow entrepreneurs[14] .

Empirical experience indicates that entrepreneurs prefer to learn from entrepreneurs. Koestler´s image of the creative act supplies several reasons for this[15] . First, all entrepreneurs have a unique track record: they have tried to put a theory of their own into practice. Thus they share this basic value about how to approach life. Secondly, the social exchange relationships they establish originate in various commitments, instrumental, affective and/or moral. Thus cognitive and emotive factors combine. Thirdly, communication between entrepreneurs always means confronting different frames of reference and is consequently a source of creativity. Thus the interaction with fellow entrepreneurs will maintain the entrepreneur´s social identification, supply him with resources and produce opportunities for qualitative growth through creative impulses.

Considering dynamic local environments for entrepreneurs the first issue to discuss is whether entrepreneurs choose their environments or if environments generate their entrepreneurs. Although influence is reciprocal, empirical evidence supports the view that entrepreneurship is mostly indigenous. What are the characteristics of such an entrepreneurial seedbed community besides that of promoting entrepreneurial values? The following characteristics should be considered[16] :

1 origin
2 physical and social proximity
3 boundary control
4 critical mass
5 overview

1 The origin of an entrepreneurial environment is a property which varies between the completely spontaneous and the totally planned. The spontaneous environment involves organically new businesses which are generated in ad hoc cloning.

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13 Hyrenius, Entreprenörskap..., p 123

14 Johannisson, Management av nätverk..., p 88

15 ibid, p 92

16 ibid, p 106

In the induced environment, on the other hand, the infrastructure and many basic business ventures are transplanted through a planned process controlled by external parties.

The growth pattern of the spontaneously created environment indicates that they take time to mature. Entrepreneurship is obviously more integrated with social life in the spontaneously developed local contexts than in induced milieus like the industrial park or the corporation. The design of these contexts is instead dominated by technical and other "rational" ingredients. Whether these "broiler" environments for entrepreneurship will sustain and generate viable firms remains to be seen.

2 Both physical and social proximity are necessary to create an environment with an "identity". Only if there is a strong communal identification will jointly located entrepreneurs become motivated to direct their commitment towards the local environment.

The strength of regional/local consiousness depends on the identification with the specific region as compared to other regional units between which the individual divides his life and, of course, on whether territorial loyalty is considered crucial at all by the individual. The "identity of the region" combines images of the region held by its inhabitants and images of it held by "outsiders" - disregarding abstract scientific classifications.

Obviously, geographical isolation and a long, shared history will enhance social proximity. This means that industrial and science parks, where boundaries are vague both physically (since they often are located in urban areas) and socially (since people only work, they do not live there), will have difficulties in establishing and maintaining an identity.

3 The third feature of the dynamic local context is that of boundary control. Boundaries are both inner and outer, and these are related to the concept of identity. Control of inner boundaries then concern a collective belief in a self-reliance strategy. Self-reliance stands for self-respect, self-sufficiency and fearlessness. Thus, in order to produce a creative milieu, the community members must first of all determine their own future. Control of outer boundaries means that the wider environment recognizes community initiatives, for example, that self-determination is socially legitimate and practically feasible. Laws and regulations implicitly contribute to the definition of the "rules of the game".

4 The fourth characteristic of the dynamic local environment is a minimum of variety, a critical mass, in terms of mental and concrete structures. This is conditioned by a general permissiveness combined with values which encourage initiative and experimentation.

Local and global, planned and ad-hoc changes have to coincide to create a take-off for such an environment.

These structural changes also coincided with entrepreneurship in various fields:

- the political
- the scientific
- the artistic

However, it should be kept in mind that most of the breakthroughs organized by the people in their fields counteracted entrepreneurship in the business sector. Thus the variety which is favourable for business must rest on values which support entrepreneurship in or close to the business sector.

Besides the conditioned mental variety, a dynamic context for business must supply a minimum of operative potential, that is a platform for building supply systems. As I have commented above, the new entrepreneurial firm will need supplementary resources in most functions. These include for example finance, bookkeeping and marketing. Some supplementary resources are supplied by specialized firms, some by colleagues in the manufacturing industry. The operative variety is successively enlarged as external resource suppliers become increasingly aware of the local environment as a market and attracted intervention.
Once established the "critical mass" of mental and operative variety will increase the global visibility

of the local context and attract further contributors. The dynamic local context is self-organizing.

5 The final characteristic of the dynamic local environment is that of overview, the individual entrepreneurs cognizance of colleagues and other contributors to the local context.

Whatever the variety is, the potential of the environment has to be known by the entrepreneur if it is to be considered in an action programme by an individual entrepreneur. The prerequisite for overview is the limited size of the community while elaborate information and exchange networks constitute the mechanism by which an overview is realised. An overview is closly related to local identity. Only if an entrepreneur feels at home in a context will he be able to contribute to the information systems as a sender or receiver, and only then will he be anxious to develope local resource and product markets. Obviously the characteristics "origin" and "boundary control" also qualify which kind of overview the entrepreneur has over his local "resource bank".

4.4 Competencies of Entrepreneurship

The ability and thrift of the entrepreneur to construct his own reality and business, calls for an elaboration of the competencies needed for carrying out this mission and an investigation of the kind of environment needed to generate and maintain such competencies.

My point of departure is then a positioning of entrepreneurial creation of a new business venture against the management of existing businesses. On one hand many argue that entrepreneurs and managers have much in common. Most entrepreneurs are either owner-managers or corporate entrepreneurs. Mintzberg in his study of managerial roles identified a separate entrepreneurial role[17] . Stanworth and Curran in their dynamic theory of small business and entrepreneurship suggest that personal and contextual forces pressure the selfemployed craftsman into the role of the entrepreneur and then on into that of a manager[18] .

On the other hand the difficulties in "enculturating" entrepreneurship into organizations and teaching individuals to becomee entrepreneurial, indicate that it is worthwhile to pinpoint possible differences between managers and entrepreneurs. Managers and entrepreneurs certainly share economic motives in as much as they both operate in the market. However, the economic motivation in the case of entrepreneurs is complemented with, if not dominated by, an existential motivation. The creation of one´s business and running it is an end per se and various business ventures accumulate into entrepreneurial careers. Hired managers are instead motivated by economic thrift and a possible professional career. This implies that for managers loyalty to the business community is more important than affiliation with an individual firm and it is local community. External recognition is more important than internal rewards[19] .

Managers are expected to do what they are told. Entrepreneurs on the other hand only accept given frames which they then develop themselves. The only external influence they consider during this frame construction process is unavoidable restrictions, for example public laws. Entrepreneurs can

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17 Drucker, Drucker om management, p 147

18 ibid, p 148

19 Pinchot III, Intraprenörerna..., p 26

only be told what not to do[20] .

Obviously, the competencies needed by the entrepreneur are different from those of a manager. Book knowledge must be supplemented with, on the one hand, an inner personal drive which make the entrepreneur persistent in his exploratory approach to challenges in the market, and on the other with the ability to build a bank of practical experiences on which to reflect .

If the environment is to support and strengthen the entrepreneurial learning process it must offer not only an intellectually creative potential in terms of a variety of ideas, participants and meeting-places. The dynamic environment must also supply a social potential in terms of community values and attitudes in favour of entrepreneurship and an operative potential, for example colleagues serving as customers and/or suppliers or as a resource bank in case of an emergency.

The basic argument is that the entrepreneur is especially dependent upon the "immediate" environment or context and it is support when he is to launch his first business venture. Looking into local entrepreneurship, the immediate environment can be for example the local community, the industrial park or the science park. When intrapreneurship is considered, the corporation represents the immediate environment. Thus, when introducing entrepreneurial competencies it is only natural to relate them both to the entrepreneur as an individual and to the context where the venture is located, cf. table 1 below[21] :

Level of competency	Competency Elements	
	The individual	The environment
Know-why (motives, attitudes, values)	Self-confidence, energy, initiative	Entrepreneurial values (including role models and mentors)
Know-how (skills)	Vocational skills	Complex industry and occupational structure
Know-who (social competency)	Networking skill	Social and commercial networks
Know-when (insight)	General experience Intuition	Business traditions
Know-what (facts)	Book and institutional knowledge	Information networks and socio-political infrastructure

20 Waterman, The Renewal factor, p 155

21 ibid, p 62

In the table the competencies of entrepreneurship are listed and ranked according to the logic of exploration. That means that know-why competencies, those that make the entrepreneur commit himself to act in the market place, get the highest ranking and know-what competencies, i.e "objective" facts the lowest. In between are the know-how competencies representing the various skills that the entrepreneur accumulates while practicing his trade. The previous discussion has revealed that these competencies are especially crucial. Social competencies, i.e ability to establish, maintain and liquidate personal connections are labelled know-who. The successively acquired personal experience enables the entrepreneur to intuitively syncronize their own actions and environmental events. This insightful competency is labelled know-when competency.

The table suggests furthermore that the immediate environment can be categorized along the same lines. In an environment where entrepreneurial values have been institutionalized, running ones own business is a way of living. Where the entrepreneurial spirit, "the local business climate", is favourable, the role of the entrepreneur is not socially marginal but focal. The entrepreneur to-be will thus not have to devote resources to persuade either himself or others about the desirability of his mission. Role models and mentors are abundant to support the entrepreneur in his acquisition of know-why competencies.

The entrepreneur´s know-who competencies are strengthened further if the environment contains a diversified industrial structure representing a variety of firms and occupational skills. Whether or not the potential of this operative bank of resources will be available to the individual entrepreneur depends on whether or not business traditions have matured in the community. This process is generally materialized in elaborate social and commercial networks. An environment which offers dense information networks and frequent meeting places and activities in the political, social and cultural fields will supply more than ready-made solutions to recognized problems. Such environmental competence-loaded elements will also increase the chances for a constructive reframing of adopted ways of running the business.

Furthermore, in the pluralistic corporate welfare state, the need for linkages between the business and societal sectors becomes more important. Thus, although know-what competencies may have ranked low in theories and entrepreneurship and stay concealed in the day-to-day practice of entrepreneurship, their relative importance as environmental properties will increase.

4.5 Conventional business development

The material of this following section is unpublished and built to a large extent on the experiences of "Albatross78 Företagsutvecklarna AB" in Lund, Sweden.

Conventional businessdevelopment usually focuses on the following areas:

– evaluation of the businessidea
– protection of the invention by patent
– financial securities
– accounting systems

A general saying is that "one out of ten businessprojects will succeed", but to be more specific, (relaying on statistics), the saying should instead be "one out of a thousand inventions", a hundred of these will manage to become prototypes. Out of hundred prototypes, ten will be able to go into business, whereas only one will become a profitable company. These "facts" show that it is quite a waste of resources and expectations. The entrepreneur does not/will not understand this "wisdom", they come from the financier who has judged the projects using investmentcalculations.

If you only look at the circumstances from a company´s internal perspective, it will look even worse. Measured with traditional investmentmeasures, existing accountingsystems and with the budget as the timehorizont, it will not be worth starting new companies.

Large, established companies already have all they need for a new business-activity to begin and grow:

- financial capital
- technical know-how
- administrative know-how
- contactnet
- personnel resources

But, why then do these companies have difficulties in starting new companies, utilizing company takeovers and/or establishing themselves in a foreign market? The problem is not the lack of resources but, their way of approach. One approach that has been proved to be succesful is explained by the metaphor about the tree and the seed.

Even if the seed (the new businessidea) will not fall far from the tree (the existing company), it will face some difficulties growing effectively near the tree:

1 The tree-crown will put it in the shade. The new idea must use the way the tree works (administrations and routines) which probably will not be suitable for the seed.

2 The nutritional requirement of the seed will be restricted by the rootsystem of the tree. Few new and different ideas will be allowed in the old companyculture, because they will be experienced as threats against the existing organization. New ideas will only disturb the efficiency and the needed balance within the organization.

Instead suitable "gardening" will be as follows:

1 Replant the most vital plants in a separate organization.

2 Recruit a "gardener" who is able to provide the plant with the right kind of working-environment and sufficient and balanced nutrition. This means little money and much moral and competent support.

The most important thing to remember is that this method concentrates upon chosing the most suitable entrepreneurs and not the best business-idea. The selection will be done through the businessplan.

When the plants have become larger and more established, they can either be "sold-off" to the entrepreneur or they can be planted on the market.

This method is based upon the new businessactivities nearness to the mature and established organization. The metaphor tells us that the environment is the most important, the vital power of the plant (entrepreneur) and the kind of space it will get. Second comes the choice whether it suits the other trees or not. It is in the nature of the process that this will not be shown until after five-seven years.

Stig Ottosson, in his book "Lönsam Innovationsverksamhet", has described the relationship between the traditional external main components in an innovation (idea/invention and capital) and the internal (the entrepreneur and environment/milieu) in the following way[22] :

"The businessidea and the capital are naturally necessary conditions for the process just as the seed and soil are for the plant to grow. However, the thing that will decide whether the businessidea will become a successful company or not, is the entrepreneur him- or herself and the environment (in other words - the quality of the seed and the climate)".

4.6 Purposes of business development in mature organizations

The companymanagement´s underlying purpose - vision - to work with internal businessdevelopment is nearly always the need to stimulate activity and vitalize the established mature organization and to work against tendencies to become institutionalized and stiff.

The external purposes can change depending on the situation of the established company, but normally it includes one or several of the following reasons:

1 More "legs" to stand on - when the existing products/services stagnate there must be a new generation of products/services. The new should, if possible, be built on a continuing development of the existing competence and gladly with an extended marketing.

2 Utilisation of the potential of promising areas outside the main business, without disturbing the demands of continuity of the established organization.

3 Develop a new market-segment, for example an after-sale market, export-market, joint ventures without disturbing the established organizations, demand on concentration and specialization to its marketniche. It should be fully conscious of the need to use the resources of the personnel in the company in a more efficient way.

4 Increase the motivation of the personnel through paying attention to and supporting their ideas and initiatives in a planned way.

5 Utilize the members of the personnel who are creative and talented.

6 Develop the company-management skills as supervisors and mentors. They should support the plants in their development-process. At the same time, they will remain as managers in the established company.

But, there could even be purposes of a defensive character:

– To "brake and step on the gas" at the same time in the established company. This means that the company has complete structural cut-downs with renewal activities in certain areas to be able to keep the company attractive among customers, owners, financiers as well as "key-persons" in the personnel.

5 DELIMITATION 1

Since many of the business-development theories described above are about internal company circumstances and how to create an innovative environment, I will, in the following parts, focus on intrapreneurship.

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[22] Ottosson, Lönsam Innovationsverksamhet, p 36

6 INTRAPRENEURSHIP

6.1 Intrapreneurship - why is it required?

Throughout the world, enterprises are faced with changes in the pattern of competition. The achievement of the Pacific Rim countries, shorter product life cycles and new technologies, the penetration of formerly secure and seemingly impregnable markets for manufactures or services all continue to add to competitive pressures. There is increasing agreement that new ways of being successfully innovative are required[23] .

The need to become more innovative and entrepreneurial is a demanding challenge. It is a problem in certain European cultures, traditionally strong in ideas, but weak in implementation. For example France, where they produce more ideas than any other country on earth, but out of every 1.000 French people, only five dare to translate their ideas into business ventures. The UK would also claim to take the lead in inventions, but there is much British self-criticism of failure to commercialize the results of every research. Both countries need to find more ways of harnessing, managing and capitalizing on their creativity, of turning ideas into marketable innovations[24] .

An increasing effort is in fact being made to find more effective ways of innovating and of dealing with the issue, structures and methods for doing this. Over the last 5-10 years there has been a steady shift of emphasis to the positive management of innovation. It would appear that intrapreneurship may gradually be beginning to provide alternatives, an option based upon organic growth from within. What then is intrapreneurship?

6.2 Defining intrapreneurship

Intrapreneurship is a word coinced to describe:

"entrepreneurs inside the corporation, people who implement new ideas inside established companies and who, though employed in a corporate position, are nevertheless given the freedom and incentives to create and market their own ideas"[25] .

Gifford Pinchot III invented "intrapreneurship" to describe the practice of entrepreneurship within large companies. In his book "Intrapreneuring", he describes intrapreneurs as "any of the dreamers who do...".

The word intrapreneurship, therefore, can refer both to a set of characteristics and behaviour and to processes and approaches. The objective is most frequently used to translate the ideas generated within a company into profitable market realities through the actions of employees within the company, that is, new product or service development from within. This involves the eliciting and harnessing of ideas and their direction and translation into profitable products or services.

The practice of intrapreneurship is, however, not limited to new product development. It can also be applied to the development of new processes and the improvement of existing organizational practices, thereby improving effeciency, and, in turn, profitability. Indeed the process can have a broader objective: to stimulate a generally more intrapreneurial climate within organizations so that employees are more willing and able to express and implement their own ideas of all kinds[26] .

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[23] Haskins, Intrapreneurship in action..., p 31

[24] ibid, p 54

[25] ibid, p 33

[26] Pinchot III, Intraprenörerna, p 49

There are various different forms of intrapreneurship. What is important is for the companies to focus their intrapreneurial effort where it´s most urgently needed. The objective may be new product development. However, intrapreneurial activity can also be aimed at cultural change, cost reduction, new processes, improvements in operating efficiency, new market support, product modification and so on.

To summarize, therefore, the word "intrapreneur" embraces[27] :

1 Internal entrepreneurs within large companies and ways of identifying, developing, training and motivating these people so that companies can capitalize upon their contribution and motivate them to remain within the organization and use their entrepreneurial talents to advantage.

2 Approaches which help to harness the entrepreneurial potential within organizations and to direct it towards profitable new product or service identification and development and/or other significant contributions to the enterprise.

3 The development of entrepreneurial company climates within large organizations that encourage and nurture new ideas and ways of doing things, develop opportunities for entrepreneurial flair to thrive and prosper and actively exploit creativity, innovative effort and internal entrepreneurship to commercial advantage.

6.3 Approaches

A range of approaches have been developed and tested for putting the process of intrapreneurship into practice. That this range exist is not surprising. For just as there can be more than one objective for an organization in fostering intrapreneurship, there can also be more than one approach to its development.

Before selecting which approach or the combination of approaches it will use, each company must identify why they may wish to become more intrapreneurial and which approach or approaches are best for them, given their corporate culture and the objectives of the process. There are three approaches available[28] :

1 The individual intrapreneur

Much of the effort to date has focused upon the identification, motivation and development of intrapreneurial individuals within large companies. Attention has therefore been paid to the typical characteristics and attributes of intrapreneurs, the rewards and incentives needed to motivate them and the organizational resources and skill development required for these individuals to translate their ideas into the marketplace.

2 The intrapreneurial team

An alternative approach is to focus on the team, rather than the individual, as a source of intrapreneurship. Based upon insights gained in certain R&D and/or product team approaches, the idea here is that individual intrapreneurs may be rare, or given the company´s culture, relatively impotent. A carefully constructed and trained team can, however, provide a potent, energetic and profitable intrapreneurial contribution.

3 The intrapreneurial organization

Certain companies, particularly, in the high technology areas, have consciously tried to develop a company culture which operates on the basis of an intrapreneurial spirit. IBM, 3M and Hewlett Packard are well known examples. In these companies, new products and possible businesses are

[27] Haskins, Intrapreneurship in action, p 42

[28] ibid, p 70

the central aim of the company. As a result, the organization has to be designed to facilitate this both structurally and in its values.

4 Intrapreneurial outposts

Some companies (Rank Xerox and Pilkington Glass, for instance) have established outposts beyond the confines of the main organisation, but supported it, as a further means of generating innovations, products and businesses. These ventures may in fact be more entrepreneurial than intrapreneurial and may ultimately be totally independent. Nonetheless, their existence may well enhance the development of a more entrepreneurial spirit within the organization as a whole.

6.4 Support

Whatever approach, or combination of approaches, that a company chooses, it is vital that these are linked and fitted into the company and its culture so that the development can be appropriately supported and managed.

Support is a critical component of any intrapreneurship development approach. This involves not only vital top management support for the whole initiative but the identification of an individual (or group of individuals) to get the approach going and to manage it through. Such an individual may already be within the company or may be an external consultant already experienced in implementing these types of initiatives.

It is necessary to identify people within the organization who can act as mentors to the intrapreneurs, providing them with ongoing guidance and support, a willing ear - someone the intrapreneur can always go to and talk about his idea or its implementation.

Different experts give these persons different names, for instance, "the intrapreneurial project manager, minister of corporate culture, internal venturing intrapreneur".

These people are the main torch carriers for intrapreneurship in the company. They manage the process, working either with outside consultants or alone on the intrapreneurial climate. Joh Zaloudek describes the required skills and characteristics of this role as follows[29] :

1 Successful veteran: he/she should have noteworthy experience or a working knowledge of the organization´s functions and systems. He/she must have the confidence and respect of the people at all levels.

2 Customer orientation: the manager of the innovation function must be able to sort out customer needs; project trends to anticipate market opportunities; lead and teach intrapreneurs of product ideas about customer orientation.

3 Personal organization: because information from diverse sources flows profusely, effective information is a must. Equally important is time management. Uncovering innovative products will necessitate entering many blind alleys, a time intensive process. Sensing when to back out and go elsewhere is very important.

4 Strong communicator: verbal and written communication skills are critical. The manager of the intrapreneurship programme is a sales person for ideas or approaches, most of which are new. The principal communication goal is overcoming resistance to change or to accept the new idea.

You may also add to the list above that the person should be self-selected, be a good networker and be allocated time to carry out these responsibilities.

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[29] ibid, p 87

Other support roles are the following:

1 Mentors: they are the people who support the intrapreneur´s quest for the successful development of an idea and provide a sympathetic ear and guidance.

2 Supporters: These are the people within the organization who the intrapreneur identifies and selects to:

– educate, inform and involve them regarding his/her idea, so that they know what is being done.

– seek their advice about how to sell the idea or project.

– ask who else might be willing and able to support the idea.

3 Outside consultants

4 Top management support

5 Family, friends and colleagues

7 DELIMITATION 2

In the following sections I will concentrate on intrapreneurship at an individual level, because I believe that it is more realistic to start with intrapreneurial projects with a few individuals rather than making efforts to reorganize a whole company. This objective might instead be a project for the future.

8 THE INDIVIDUAL INTRAPRENEUR

Approaches that focus on identifying, developing and training the individual intrapreneur have been established and practised particularly by Gifford Pinchot III and the ForeSight Group of Sweden and the USA. Let us look further at the characteristics and attributes of intrapreneurs, how they differ from the entrepreneur and conventional manager anf the financial incentives required for their motivation.

8.1 Understanding the intrapreneur

Earlier, intrapreneurs were described as "dreamers who do", individuals within large companies who figure out how to turn ideas into profitable realities. Gifford Pinchot III, has concluded that intrapreneurs can be identified by a number of attributes, characteristics and drives[30] :

1 Motivation – wants freedom, autonomy and access to corporate resources.Can self-motivate and self-select. Likes financial rewards, but these are not the primary motivation. Particularly needs the resources to implement current and future projects financially.

2 Vision – can see the steps from the identification of an idea to its actualisation.

3 Orientation – action oriented, and not status oriented. Willing to undertake all sorts of

[30] Pinchot III, Intraprenörerna..., p 112

tasks in order to get things done.

4 Confidence – self-confident and courageous. Willing to try outwit to the system.

5 Dedication – dedicated to getting the job done and to quality standards.

6 Goal setting – sets concrete and measurable goals. Pays attention to long as well as short term goals.

7 Risk taking – likes moderate risks.

8 Failures and mistakes – sees mistakes as learning experiences but is sensitive to needs of corporation and so may hide risky projects.

9 Focus – focuses on the marketplace and closeness to customers coupled with an ability to create new needs.

10 Communication – is able to communicate a private vision to others and to manipulate the system.

11 General management skills – is able to operate like a general manager, across functional barriers such as accounting, marketing sales, research, development and personnel.

12 Background – often from entrepreneurial, small business, professional or farm background. Typically middle-class. Often, but not always, highly educated, particularly in technical fields.

Intrapreneurs can be - but do not have to be - inventors of new products or services. Rather their contribution is to take new ideas or even working prototypes and turn them into profitable contributions.

Nor are intrapreneurs the same as entrepreneurs. There are certainly a number of similarities: both want freedom, are self-motivated, confident, action oriented and moderate risk takers, for instance. Intrapreneurs, however, prefer to stay within the corporate system and to use it to their advantage, particularly through the access to financial, technical and internal resources that it offers - secretarial assistance, libraries, data banks, the company name, established marketing channels and so on. They may also feel a sense of loyalty to the company and the friendship and comparative security it provides[31] .

However, intrapreneurs differ significantly from the image of the traditional corporate manager. The intrapreneur is, for instance, self-motivated rather than power-motivated, not interested in overt or conventional status-symbols, and not driven to avoid mistakes, but rather to learn from them.

8.2 Incentives

What motivates the intrapreneur? Some motives have already been described above: freedom, autonomy and access to corporate resources. Challenge, the opportunity to develop new things and to be able to learn by doing are also important.

What is important is to understand: what forms of recognition will motivate each specific intrapreneur; and what motivates best in a particular company climate and/or particular culture. Intrapreneurs are not primarily motivated by a financial reward. Nonetheless several experts in this area agree that new financial incentives, beyond conventional monthly salaries, are good ways of motivating intrapreneurs and stimulating their commitment.

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[31] ibid, p 115

Gifford Pinchot III goes even further than this in his recommendation on finacial incentives. He advises companies to create what he calls intracapital. This he explains as follows[32] :

"Intracapital is a timeless discretionary budget. It is earned by the intrapreneur and used to fund the creation of new enterprises and innovation for the corporation...Intracapital...gives the intrapreneur freedom to build new enterprises for the company (and)...does it fit the most important needs of the intrapreneur with regard to money; it gives them a way to keep score with money, and it provides them with a tangible claim on the resources needed to turn their visions into business".

8.3 Company example - Uddeholm Tooling AB, Sweden

This company example is based on a study made by the ForeSight Group in Sweden[33] .

8.3 1 Background

Uddeholm Tooling AB is a long-established tool-steel and other speciality steel products company located in Hagfors. It sales are approximately SEK 300M. and it employs some 3 000 people worldwide. Overall, the industry is static. However, a number of steps have been and are being taken to turn the company around. These have included restructuring the worldwide marketing and sales organizations, extensive decentralization and a number of steps to increase business awareness, create a positive entrepreneurial spirit and to search for new opportunities within or outside the business.

8.3.2 The programmes

Uddeholm Tooling engaged in its first intrapreneurship training programme in August 1982. Five people participated in the School for Intrapreneurs, operated by the ForeSight Group. A second group was trained in 1983. From 1984 the intrapreneurship effort has been consolidated and augmented in order to support the different ventures, for instance by board participation and by providing working capital and distribution assistance.

With reference to the company´s initial reasons for becoming involved, Ulf Lomander explains:

"What we wanted to achieve with the intrapreneur concept was to locate people inside our organization who wanted to realize their projects and to make sure that they didn´t get stuck in the bureaucratic structure. We wanted the intrapreneurs to be role models for other people in tooling in Hagfors, a small town with 6000 inhabitants. We also wanted to see if we could combine the small - scale approach of the entrepreneur with the advantages of the larger organization."

From the outset the ForeSight Group, which were consultants to the programme, insisted on top management involvement. "This", says Ulf Lomander, "has proven to be very important. It has provided support for bypassing the hierarchical structure". Also important has been the support of the trade unions and of the tooling managers from whose divisions and department candidates for the intrapreneurship programmes were sought. A final key support role has been Ulf Lomander´s. Reporting to the managing director, he has had coordination and development responsibility for the initiatives.

The intrapreneur selection process at Uddeholm involves responding to letters and announcements. Upon applying, the candidate´s track record is evaluated and an interview takes place. Those selected work part time on their projects during the training period and on a full time basis once the business

[32] ibid, p 126

[33] Haskins, Intrapreneurship in action..., p 62

plan has been accepted. Their motivation is, according to Ulf Lomander, "a sense and recognition of achievement, since monetary rewards are very highly taxed in Sweden".

8.3.3 The results

To date, ten intrapreneurial ventures have been initiated through the intrapreneurship programmes at Uddeholm. One of these is Uddeholm Kraftsport which manufactures high-quality weight-lifting gear and body-building equipment.

Uddeholm Kraftsport was established as a result of the 1982 Intrapreneur School by Lennart Andersson, previously working in the information department. Within a year, seven people were directly employed in the production and distribution of equipment. The business started out as a profit centre, was then converted into a company with part ownership by Lennart Andersson and has now been sold to a venture capital company related to Uddeholm.

A number of other ventures, including Uddamelt which produces raw materials for precision foundries, and Process Control which supplies process control systems, have been or will be converted to separate companies from profit centres within existing divisions.
Says Ulf Lomander of these initiatives, "all existing ventures are profitable and have expanded in small steps. In all about 20 new jobs have been created in the Hagfors area, within or outside Uddeholm Tooling".

8.4 Pros and cons of the individual intrapreneur

There would appear to be six main potential disadvantages in an individually-centered approach.

1 Scope: while individual intrapreneurs can and do draw upon numerous support mechanisms within the organization, the scope of their contribution is highly dependent upon their own intrinsic strengths, insights, ways of thinking, experience and persistence.

2 Relationships: the project is often dependent on the relationship of others involved with the individual intrapreneur. Intrapreneurs are not always easy to deal with or even understand.

3 Misfits: individual intrapreneurs can be seen as outsiders or misfits within the organization as a whole. As a result, their ideas and suggestions may be treated as irrelevant.

4 Synergy: there is no automatic possibility of spin-off to or synergy with other products or people, plus added possibility of deliberate withholding of information.

5 Failure: it is often more difficult to deal with failures when they happen to a single individual. This is both in terms of the psychological impact on them and in terms of an effective return or re-entry into another role.

6 Suitability: although this does not need to be the case in a well managed individual intrapreneurship programme, there is a clear risk of a lack of strategic, commercial, market and organizational suitability.

These are counterbalanced by the following advantages:

1 Ownership and commitment: the intrapreneur "owns" a project, is committed to it and responsible for seeing it through. This will bring a great deal of enthusiasm and energy to its development.

2 Reward: the success of the initiative is seen as due to the intrapreneur.

3 Focus: the focus and objectives of the approach are clear and relatively simple to define and explain.

4 Support: in most organizations, it is not too difficult to identify people willing to adopt the role of "intrapreneurial project manager" and indeed this can be a very rewarding position.

5 Cost: programmes for individual intrapreneurs can be developed fairly rapidly and cheaply. At least in the early stages, the risk is manageable.

6 Talent: the approach supports an ethic that "an individual can make it here and can influence the future performance of the company". This can help to keep intrapreneurial talent within the compnay and is in line with current demands for freedom and initiative among high-flying managers.

7 Know-how: an increasing amount of experience is being obtained in the development of individual intrapreneurship development programmes. These have now taken place in a number of companies both in Europe and the USA.

9 METHOD

9.1 Data description

9.1.1 Secondary data

The purpose of the literature study was to:

– give a survey of how the subject was treated in literature.

– use theory which could serve as a base for the interviews in Lusaka.

The secondary data gave wider understanding and insight in how entre- and intrapreneurship works. The choice of method was determined by:

– Available time.

– The sort of investigation.

– Subject field.

It would have been good if there had been something written and available about Zambian or African businessdevelopment in general, and entre- and intrapreneurship in specific. Therefore I decided to search for littterature when arriving in Zambia, since I was going to stay at the University of Zambia (UNZA). I did get hold of some managementliterature and one book written about entrepreneurship in Zambia from a historical perspective.

9.1.2 Primary data

Often an investigator has to collect data that has not been documented before. This sort of primary data collection is usually associated with certain difficulties. In my case, the difficulties were that I did not know whether my subject was of any interest in Zambia, whether I could get in contact with

company managers and, of course, the so-called "cultural grammatics". By "cultural grammatics", I mean that the person being interviewed gives the interviewer the answers that the interviewer wants to hear, and not always the true answers.

All research approaches can be classified into one of three general categories of research:

- exploratory
- descriptive
- casual

These categories differ significantly in terms of research purpose, research questions, precision of the hypotheses that are formed, and the data-collection methods that are used.

Since I was interested in seeking insight into the general nature of businessdevelopment in Zambia, and since there was little literature about it, I found that a flexible, unstructured, and qualitative method was best suited to my purpose. Therefore I chose to use the exploratory approach. The method was also suitable, since one of my purposes was to generate a recommendation how to conduct businessdevelopment.

I began my interviews in Sweden by interviewing companies working in Zambia in the South Development project. These interviews were conducted in an unstructured way. The purpose was to find general information about industrial life in Lusaka, management attitudes towards their personnel, and businessdevelopment. I also interviewed Sydkraft International, which has experience of development countries and the working conditions in such countries.

On the basis of the interviews, I constructed a semi-structured questionnaire. In Lusaka, I discussed the quality of the content in the questionnaire with my supervisors, so I was reassured that the questions were feasible and actually measured what they were supposed to measure.

The Zambian companies were selected by my supervisors. Without their help and contact-net, I must confess that the study would have faced several difficulties. They managed to make appointments with companies in different branches, with the common link being that the persons I met were all general managers in large companies. The answers from the interviews has been treated confidentially, so that nobody should be able to trace them to certain companies or persons.

The last week of my stay, I held a seminar in business-development called "Entrepreneurial personality - a must in doing business?". It was more a form of a discussion with five so-called "New-Generation Companies", newly started and small-scale companies. I felt that the information given at this seminar served as a useful complement to the semi-structured company interviews, even though the participants were not my actual target group.

Since I was living at the University of Zambia (UNZA) most of my stay, I met several students, lecturers, and, of course, "normal" working Zambians. With these people, I conducted several unstructured interviews. The main purpose of these interviews was to avoid the so-called "cultural grammatics". Naturally you could question the value of this information given, but I felt that the information gave my research better validity and reliability.

As you may have noticed, I collected data from several sources, more or less structured. As a result I think that I have gained a better understanding of the Zambian way of working with businessdevelopment.

9.1.3 Data collection process in summary

The data collection in Sweden, was conducted in the following way:

1 Study of literature 1: businessdevelopment, general information about Zambia.

2 Unstructured interviews: five Swedish "subsidiaries", one international Swedish company.

3 Study of literature 2: intrapreneurship, the economic and political history of Zambia.

The continuing datacollection in Lusaka was performed as follows:

1 Primary data
- a. unstructured interviews the first days to orientate myself
- b. semi-structured interviews
- c. seminar in business-development

2 Secondary data were collected from Institutions such as the Library of the British and American Council, and the University of Zambia (UNZA).

9.2 The questionnaire

The purpose of the questionnaire was to examine experiences and attitudes among companymanagers in Lusaka in large, mature companies. The questionnaire is therefore highly connected with the businessdevelopment section in chapter 4.

Some statements may seem to be quite obvious, but since I did not have any experience from development countries, I felt that it was important for the study to get evidence proving that the business-development theories could be useful in Zambia.

Generally you could say that the purpose of a study is to produce information, which can later serve as a support for decisions. In a study you have to, discern from a large amount of data, which information is important for the study. This is done by asking a number of questions, which must be answered to obtain the purpose of the study.

I thought that the following issues were of interest to the study:

1 What kind of procedures do Zambian companies and organizations use to identify:

a. businessideas with a potentiality of becoming successful projects?
b. personnel that are suitable for intrapreneurship?
c. the sort of freedom required for the personnels latent intrapreneurship to flourish?
d. what forms of recognition for achievement´s might best suit the intrapreneurs?

2 What influence does the companyenvironment (Zambian culture and tradition) have on intrapreneurship?

3 What possibilities do the companies have to provide intrapreneurs with venture capital?

4 What significance do the intrapreneurs professional and personal network have on intrapreneurship?

5 What influence on intrapreneurship has the fact that it is the sellers´ market?

6 Can intrapreneurship create economic growth and reduced unemployment?

9.3 Starting-points of the interviews

Since I didn´t have that much time in Zambia, and because the study was of a qualitative character, I chose to concentrate on a number of large, mature companies. I also assumed that the companies chosen by my supervisors were representative of the target group. This narrow selection is motivated for the following reasons:

1 There is a lack of large, mature companies in Lusaka.

2 My supervisors´ excellent contact net and knowledge of the companies, served as a "selection mechanism". They tried to vary the types of companies, so that many branches were represented.

3 I carried out a number of unstructured interviews with Zambians, questionning them about attitudes in the Zambian society.

9.3.1 The method of the interviews

To receive necessary knowledge about the chosen subjects of interest, I first carried out an unstructured explorative examination. The purpose of this was to examine the chosen subjects from a number of points of view.

Before I designed the questionnaire in Sweden, I carried out six unstructured interviews, so that I could complete the questions. This procedure was also done together with my supervisors in Lusaka.

Each interview lasted for about one hour to one hour and a half. I took notes during the interview, and subsequently, I made a clean copy of the interview. I felt that the interview was suitable, since I needed a large amount of information. At some interviews I did not need to ask all the questions, because the interviewe gave the answers while answering other questions. So, therefore I found the questionnaire to be quite flexible.

The shape of the questionnaire was to get a general picture of the companies experiences and attitudes. So, even if the purpose was "... from a Top Management perspective and at an individual level...", I quite consciously asked questions at a team- and an organizational level. I believed that I could better control the accuracy of data.

To make the analysis of collected data easier, I used a less advanced form of factor analysis. The questions at issue were connected with certain numbers (questions) in the questionnaire:

Question at issue 1 – questions 1 a - d.

Question at issue 2 – questions 2 - 4.

Question at issue 3 – questions 5 - 8.

Question at issue 4 – questions 9 - 11.

Question at issue 5 – questions 12 a - b.

Question at issue 6 – questions 13 a - c.

9.4 Results

In the section below I have chosen to present the results in "conclusionform" according to each question.

1 What kind of procedures do Zambian companies and organizations use to identify:

a. businessideas with a potentiality of becoming successful projects?
b. personnel that are suitable for intrapreneurship?
c. the sort of freedom required for the personnel´s latent intrapreneurship to flourish?
d. what forms of recognition for achievement´s that might best suit the intrapreneurs?

Conclusion: The companies usually arrange work-shops, seminars or even trainee-programs to identify and select people suitable for intrapreneurial activities. One common theme was that both the persons and the ideas were generally analyzed and compared with the companies specific and present needs. One instrument that is used is marketresearch. Another instrument used to select persons, are so called assessment centers, in which the persons are tested in various tests, so the company will be able to determine the skills of the person.

Since Lusaka is a relatively "small" city, the identification of needs for new products/services and identification of persons are done in a quite informal and unstructured way.
The demands on companies to reorganize because of the transformation from a planned economy to a market economy leads to a greater demand for the companies to find a process of choosing the suitable intrapreneur. One way is to establish profit-centres. There is no theoretical or practical way to identify "golden eggs" in advance. A profit-centre could give intrapreneurs a kind of reward that would motivate them to continue their efforts.

According to my informal "talks", I´ve got a feeling that company management in general is strongly hierarchal and traditionally oriented, and it is only well educated persons that are given the opportunity to either present their ideas or participate in work-shops.

2 What influence does the companyenvironment (Zambian culture and tradition) have on intrapreneurship? Is the climate among the companies one in which you feel that these types of programmes could be succeesfully introduced, or is the structure such that an alternative approach to intrapreneurship development might be more appropriate? Do you believe that top managers are prepared to give the time, effort and enthusiastic support required to make these types of programmes successful?

Conclusion: The companies are going through a transformation-process, from being "spoiled kids" during Mr. Kenneth Kaundas government, to becoming "mature men/women". Mr.Kenneth Kaunda was far too protective and as much as 80 per cent of all decisions concerning businesslife, was taken by the government.

The strategy of the new government demands creativity and entrepreneurship. This will raise demands for new management styles in companies, which are allowed to support personnel with ideas and visions. But, one problem is that a majority of management personnel lack knowledge and experience of the free market economy, and also lack self-confidence.

Apart from the necessity to develop managementskills, infrastructure (roads, railways, airplanes) must also be developed. Some companies believe that governmental involvement in this issue is necessary to make the free market economy accelerate.

Most of all, it is the political background of the leadership of Mr. Kenneth Kaunda that is still acting as a brake for the Zambian economic development. Under Mr. Chilubas government of today, Zambians have started to suffer. It is the price they have to pay for trying to introduce a free market economy. But, this fact might stop Mr. Chilubas efforts to create an environment that accepts new business activities, and provides them with necessary resources.

The longer established an organization has been, the larger and more specialized towards special products it is. So it is not likely that this kind of company will be suitable for innovative activity. Culture and tradition must be sympathetic towards and show understanding of innovations and the preconditions for the process that it requires.

3 What possibilities do companies have to provide intrapreneurs with venture capital? What does the venture capital market look like, and what influence does the national economy have on the financial market? If these types of intrapreneurship programmes should interest companies, how much money do you think that they would be prepared to put aside? Do you believe that companies would be prepared to introduce new forms of financial incentives for intrapreneurial activities?

Conclusion: There is no real venture capital market in Lusaka or even in Zambia. Raising financial capital is difficult and expensive, from internal as well as external sources. The main problem is that the interest rate is approximately 100 per cent lower than inflation. Another problem is that there is almost no money to lend.

The available capital is extremely expensive to get hold of. One solution that some companies use is to get money from the Embassies. They have various funds available for investing in industrial projects.

The problem of the lack of venture capital is that entrepreneurs will be far too short-sighted in their planning, so they can be guaranteed profitability in their projects, and without long-range planning it will be difficult to develop the national economy.

Zambia needs foreign investors, but it is difficult to attract them. Otherwise South Africa would be one target group, but the South Africans believe that the political situation is too unstable, even if Mr. Chiluba stands for economic new-thinking.

Innovative activity should have a sound capital foundation. Without a sound capital foundation any innovative activity will face continual economic problems. Ample capital makes it easier to loan additional funds and increases confidence in the company. And if the entrepreneur has a share in increasing values as a shareholder in the company or has received a promise of shares, convertible loans etc, his motivation will be further increased. But there are seldom any possibilities of raising money within companies to support potential projects. Often companies are too careful, and do not take chances, therefore companies are negatively adjusted to new financial forms for new projects, especially if the ideas come from personnel "under" them. Companies are still far to hierarchically oriented.

4 What significance do the intrapreneurs personal, and professional network have on intrapreneurship? How do people associate in private, and at work? Do you believe that the potential intrapreneur could count on support from his family during the innovativeprocess?

Conclusion: "Networks" in Lusaka are something unusual. Internal networks inside companies exist sometimes, but often in unstructured forms. The Chamber of Commerce in Lusaka has some form of network, where you can meet people to share ideas and experience. You must remember that Lusaka is quite a small town. Friends work with friends. It is a part of daily living in businesslife. The organized form of network may have some advantages, but some company managers believe that the informal support from colleagues is enough. Though there were company managers that were convinced that there should be more interest in arranging seminars, workshops or even "brain trusts", where businesspeople could come together and under organized forms with a supervisor, develop each other know-how.

It is important to have somebody to discuss problems and possibilities with. A manager you are often very lonely and the only support you might have, comes from your family. It is important for the intrepreneur to have support from his family, so that they can encourage, motivate and comfort him a long the process. Since Zambians have an extended family thinking, most managers were of the opinion that this support was important during the process. The

intrapreneur sometimes even let his familymembers in different ways contribute to his idea so that it comes to fruition.

Businesspeople have to develop their businessskills, self-confidence. This can only be done together with persons in the same situation. Every working person has partners, employees and/or retained consultants to assist him/her. He should also have reliable people from outside work from whom he can seek advice.

A network should, of course, also contain a well-coordinated and fruitful environment (infrastructure) in the locality. The infrastructure of the locality can be helpful for newly-established companies and for innovative activities.

5 What influence on intrapreneurship has the fact that it is the sellers´ market?

Conclusion: There are no real problems with the theory that it´s the sellers´ market, but in the long run companies have to adjust to political and economic changes. In the future you have to communicate far better with customers. Always communicate, listen and analyze the customers´ needs and wants. Through the customer, you will get ideas to develop your products/services etc. You must be flexible in order to survive. You must invest in the customerrelations. All development must take place in close cooperation with the market. It is decisive for the success of an innovation that the intrepreneur and his personnel succeed in communicating with and influencing the market. Isolation from the market is disastrous. The intrapreneurs work must, to a very high degree, be oriented towards the market if the right decisions are to be arrived at. Unfortunately, many companies have difficulties with this "new thinking". It will be necessary to change these attitudes so they can survive.

6 Can intrapreneurship create economic growth, reduce unemployment and even serve as an instrument to spread know-how within the company?

Conclusion: More than anything else, break-through innovations that are successful cause economic growth and growth in employment, which are very difficult or impossible to achieve through mature activity. Naturally, mature companies can ,when they grow even bigger, create new job opportunities, but often they tend to rationalise instead, and also make local suppliers too dependent on them, which results in suppliers refusing to recruit new personnel.

Most companies believe that growth in total employment always relates to the growth of small and medium-sized companies in an industrialised country. Therefore the government should increase the incitement for these companies, for example provide them with financial resources and know-how.

Since HIV, and the business risks connected with it are so well known, some companies believed that an intrapreneurial approach could be a method to minimize "brain death". You could say this is the worst form of "brain drain", but, if the know-how dies with the business-people, the country faces a worse risk than developing backwards. There will be no development! If companies give their personnel an opportunity to develop their business skills, maybe this could act as a form of life-insurance.

But, as some companies said, how will you identify these "risk-persons"? The only answer to that question is to create a learning environment, which gives the personnel the freedom they need to have their "trial and error" period, and delegate responsibility to them.

10 DISCUSSION

10.1 Business development in mature organizations

The purpose of the description of this method is to show what kind of moves Zambian companies have to take to reduce the risk of failure with intrapreneurial projects. I believe that this method will be a help for Zambian companies to manage the problems that were discussed in section 9.4 "Results".

10.1.1 Introduction

To start new busines-activities within a larger, established organization contains many difficulties such as:

- judgements of investments
- judgements of market potential
- judgements of technical sufficiency
- judgements of management skills

A new businessactivity will also mean that there are two cultures existing in one company. First you have the old culture. It is large, heavy and secure in its power of stability and success. Secondly there is the new culture which is insecure, searching, lacking in resources and it is "different" from the established organization.

The coordination between these two cultures is the great management challenge. Internal businessdevelopment starts processes of changes and during this process the established culture will revalue its organizational values which will have far reaching consequenses.

10.2 How to generate a "business-developer"

10.2.1 The idea-carrier

Western experience has shown that the following facts are important if you want to go into business:

- great personal interest
- creativity

Naturally, it is still important to consider:

- the quality of the businessidea
- financial resources

But, during a starting period the company should instead concentrate and focus on support, develop and guide those idea-carriers who are responsible for the projects. Everybody who wants to try to develop a business and showing the willingness to achieve this, should be given the opportunity to do so. The different steps during the process will be sufficient. Those demands that are set at the start examine the individual´s ability and probability to manage the business-development process. Zambian companies do show a willingness to identify promising intrapreneurs at workshops, seminars and traineeprogrammes.

10.2.2 The "climate of opportunity"

By "climate of opportunity" I mean the quality of the environment in which the individuals should develop the new businessactivity. The external environment refers to the conditions of the market or branch, while the internal environment refers to the internal conditions in the established company.

The new ones have other demands and approaches than their elders in daily routines and management as well as in their apprehension of the efficiency of tasks and the distribution of assigments.

These conditions will develop a bad environment for new ideas. New businessactivities will in fact also create disturbance and irritation in the established company and their result will even sink before a new result will appear. Experience shows that the quality of the "climate of opportunities" must reach a certain minimumlevel if the business-idea will succeed. Below, I have listed some of the most important factors in the definition of "opportunities":

	Internal environment	External environment
New businessactivity (hard facts)	Businessidea Economy	The first customer
(social facts)	The "establishmentteam"	Net of contacts
The established comp. (hard facts)	Current economic situation	Technology of the branch
	Marketposition	Threats
(social facts)	Management support (supervisors)	Maturity of the branch
	The development situation of the company	
	The history of the company	

The "climate of opportunities" is influenced by positive attitudes from the companymanagement, clear signs of threats, not a too slow development-situation and finally "heavy" internal mentors (tasks of the mentors, see below).

The mentor should:

1 stress timeschedules and objectives

2 involve him- or herself and show his/her opinion

3 contribute with his experiences and ideas (without taking over the project)

4 supply contact and support

5 make the conditions clear to the idea-carrier and to external persons of interest

6 question and "work against" in a positive sense

7 assist and solve conflicts within the group of idea-carriers

8 encourage and support as much as possible

The mentor should not:

1 leave the idea-carrier to his destiny

2 criticize/depreciate

3 withhold experiences and ideas or information that prevent the learning of the idea-carrier

4 guide, urge or decide for the sake of the idea-carrier

5 solve or moderate the conflicts of the idea-carrier through intervention of his own

As I discussed earlier, one problem is that the majority of management personnel lack knowledge and experience of the free market economy, and also lack self-confidene. Therefore, companies have to develop their managementskills, so they are able to support the idea-carriers, and their visions.

10.3 Resulting effects in the mature organization

The "climate of opportunity" will also affect the general business-development in a large, mature company. It has been shown that even slight changes in the "climate of opportunity" of a certain project has faster and even bigger positive economic consequenses than the result of the new businessactivity.

It is therefore possible to gradually influence the style of management and working environment, as the basic businesstrategy of the mainbusiness through a quiet, but consistent carried out businessdevelopment program in one or several parts of the company.

To avoid, or at least reduce, the difficulties at "take-offs" and the a development of ideas, it is absolutely necessary in the beginning to keep the mainbusiness seperate from the "new-starters" and successively give them both the possibility of understanding, living with and finally taking advantage of each other.

10.4 General steps to be taken

The main point of this section will focus on:

1 the presentation of the idea

2 the judgement of the idea-carrier

3 the businessplan

The steps that are going to be described below are:

A. Information

1. Rules of the game

2. Mapping the personal network

3. How to find the intrapreneurs

B. Contacts

C. Planning

1. Judgement of the idea-carrier

2. How to build networks of contacts and know-how

2.1 Network of contacts

2.2 Network of know-how

3. The purpose of the businessplan

3.1 Underlying conception

3.2 The method in its main features

4. The businessplan

4.1 Marketcontact and adaption

4.2 Economy and finance

5. Approved business plan

I believe that the Zambian companies are far too unstructured in their efforts in business development, and also too little oriented to judge individuals and ideas. But, companies do show interest in these subjects, for example at workshops, and seminars. Still, it is my opinion that it could be interesting, and important for these companies to take notice of the following method in intrapreneurship, and reflect over the advantages that could follow.

10.4.1 Information

The extent and length of this step depends on the complexity of the situation and the unity within the company management. As an average you may calculate that this step will take between one and three months.

10.4.1.1 Rules of the game

The company management should begin the process of businessdevelopment formulating "rules", that are to be followed by the "newstarters". The "rules" should contain:

1 Main objective

2 Area of market technology

3 Marketsegment

4 Risklevel

5 Demands on profitability and growth

6 Working forms

7 Who has the right of decision

8 Union insight

The following section is an example of what "the rules of the game" can look like:

1 During 1993, the number of X persons, so called idea-carriers, will work with new businessactivities. These people will be provided with localities and financial resources, to carry their projects from planning-phase to marketintroduction. All within a total risk budget of the sum of X SEK. (all projects included except the salaries of the idea-carriers).

2 Work during the "take-off" will be carried on according to the predestined phases. After that, each and every project will decide whether to continue according to their specific workingplan or not. The decisions will be taken by a certain board of businessdevelopment and the chairman will be Mr X.

There will be a representative of the personnel among the board of businessdevelopment. The board will be given continuing possibilities to intervene in the businessactivities on predestinated occasions for each and every project. The projects will be carried out under the supervision of the manager of businessdevelopment.

3 The idea-carrier should, if possible, when shaping their businessidea use the company-skills and contacts in different areas.

4 The company must find suitable persons able to deputize, for those persons who are considering working with businessdevelopment,

5 From an economic perspective a project with developmentpotential should have reached a positive result before the end of the second year. Those projects which are not capable of reaching this aim, should be liquidated.

6 When a project has grown to be sufficiently large, the companymanagement will have to decide whether they should make it a subsidiary or if they should dispose of it.

The first-mentioned alternative will demand of the companymanagement to make the idea-carrier subsidiary-manager. The other alternative is that the idea-carrier should be given an option to either buy it, or to become a part-owner of it.

7 Projects that could increase the strength of the company´s main-products and their marketefficiency should be integrated.

8 The companymanagement should also consider certain subsidiaries to transfering certain service-functions, if this could bring advantages in efficiency and motivation to the "newstarters" and could help them even more in their development.

10.4.1.2 To map the personal network

When the companymanagement has reached an agreement on suitable rules/recommendations for the internal business-development projects, they should start mapping which persons (internal and external) there are who can support the coming idea-carriers and their ideas.

The team-work between the idea-carrier and the supervisor is of great importance. Filling the role of mentor must naturally be done from each and every individual starting-point and personality. As in all kinds of activities personal interest in the task is crucial to the quality of the role.

A third factor which is also of great concern, is the focus of support and encouragement of the idea-carrier. As a mentor you should avoid taking over efforts to solve problems and also avoid the "criticizing management role".

The role of the mentor changes in course of time. In the beginning it should be passively encouraging and during the main part of the process it should be actively supporting and contributing.

In the phase of carrying the project through, the role will have more the character of an active "member of the board".

Steps	The role of the mentor
1 Presentation of the idea	Passively encouraging
2 Judgement of the idea-carrier	"
3 Market contacts	Actively supporting
4 Economic calculations and forms of ownership	"
5 Specification and approval	Actively contributing
6 "Take-off"	"
7 Daily work the first two years	Active "member of the board"

The transition must of course be fluent and also be depending on the personality of the idea-carrier and the forms of ownership. It is very important that the mentor is perceptive and understands the personality of the idea-carrier.

Sometimes mentors can be too unexperienced for the new role. Therefore it is importnat to offer these persons certain training in mentorship. This training could also be done by some more experienced persons, either from the company or from other companies.

10.4.1.3 How to find the intrapreneurs

The information that will be distributed should be short and quite reduced. It should be described in general terms regarding for instance the framework of the new activities. In this early stage it is important that there are no promises to be kept and optimistic visions given. In that way, you will reduce the risk of creating disappointment and irritation in the company and the main activity will not be subject to unnecessary pressure.

How then should the information be distributed? It could be distributed as:

1 a summons in writing to the whole company for an information-meeting.

2 gatheringpeat, for example: the companymanagement write the name of those persons that they believe would manage an innovation process, and they in their turn make contacts with the persons they believe in and so on.

3 an informal conversation with people on the list

Now, you will have a list of potential intrapreneurs and of these persons, six or seven will be crystalized, whereas three or four probably will be known by the company-management and the rest

they will never have heard of. Some of the listed intrapreneurs, as it may turn out, are undisposable from their position in the company.

10.4.2 Contacts

The contactstep will, the first time, last for about two months. A second "wave" of potential idea-carriers with good quality normaly contacts the company-management further in the process, after the first project has started.

It is important during this phase that you discretely discuss working-methods individually and also together with his/her nearest manager and a possible product or businessidea. Encourage them to make an ideapresentation.

10.4.3 Planning

The final part of the plan can differ quite a lot depending on the internal contacts, the support from the mentors, the possibilities of making a test-sale, the nearness to stable marketcontacts, the need of service, qualitydemands and so on. If the mentors falter, it is important to let the step get time time to mature.

10.4.3.1 Judgement of the idea-carrier

This judgement is carried out in two inter-related parts:

1a What has the idea-carrier been doing (DOER)?

b Does the idea-carrier have anything (VISION)?

c Does the idea-carrier have the ability to talk for his idea (SELLER)?

2 Make an inventory and value the social and professional network of contacts.

The relationship between the parts serves to find out whether the network of the idea-carrier could be used to make an incomplete ideapresentation complete. In many cases the idea-carrier thinks that it is positive to get help from someone he feels he needs with him/her in the project. Usually, a team of two or three persons will be better off at the start, even if the risks of conflicts further on will be increased.

Less than half of the presumptive idea-carriers will manage this stage. I would say that this is one of the most effective sorting instruments regarding the selection of potential successful companystarters.

The other part of the judgement regards the social and professional network of contacts. In Lusaka, the networks existing were of an informal character. The contacts can be sorted in to one or several of the following groups:

1 family and close friends

2 colleagues in the company

3 colleagues in other companies

4 specialists/professional acquaintances

5 geographical contacts

Most grown-ups will be able during a couple of days with help from the list above, to make a list of a hundred names or more. The idea-carrier should list the names at the same time as the presentation of the idea. At that moment the mentor should ask whether there is someone among the names that should be in the project from the beginning or not.

The mentor should also examine the quality of the internal company contacts, who are likely to support or work against the businessproject that the idea-carrier might work with.

Support from the nearest manager is crucial to the internal planning of the business-plan. A manager who is positive and acts as a protector can mean the difference between success or failure.

A manager who is passive could be a significant obstacle which often means that the idea-carrier just like the business-project must be handled with secrecy during the introductory phase. This will increase costs as well as time-pressure the work of planning which will then increase the risks.

The frequency of "shutting down" projects will only be influenced slightly when the company-management is positive towards the start of planning.

Within normal limits the educational level of the idea-carrier does not seem to have any influence on the risks and only sligthly on the technical level of the idea. Efficient idea-carriers seem to have the ability to get the technical competence required.

Thus, the judgement of the idea-carrier is then a summing up of:

1 The idea-carriers´ ability of presenting concisely the businessidea in writing

2 The extension of the contact network (internal/external, personal/professional)

10.4.3.2 How to build networks of contacts and know-how

This "safety net" will act as support for the idea-carrier. The "safety net" can be divided into two separate parts:

– network of contacts

– network of know-how

10.4.3.2.1 Network of contacts

At the beginning the idea-carrier will run the project on his own. It is only he and the mentor that are involved. You use the contacts you have for testing the product, building prototypes, renting premises, arranging the first financial matter and so on.

But, gradually, when the project is turning into a company, you need to extend the network. You´ll have to get more clients (customers) and suppliers, you will need a businesslawyer, an advertising-company and a marketingcompany and so on. The company will also face the need of recruitment. This recruitment-process could be long before the right person is hired, settled, motivated and efficient.

Researchers in intrapreneurship have come to the conclusion that the ability of building and maintaining relationships is the most crucial resource of the intrapreneur.

Network-thoughts worth considering:

– After a bankruptcy, the intrapreneur might lose everything, even his marriage, but rarely the network.

– In an organization that is difficult to penetrate, the contacts become even more important.

– When the network is threatened, so is the company.

10.4.3.2.2 Network of know-how

For simplicity I will use the collectivename "management" for all those competencies that are needed to manage a company, for example marketing, strategic planning, human resources and organizational development.

It is unusual for the idea-carrier to have experience and skills in each and every one of these areas. But, that doesn´t count for the opposite; he would not manage without such competence. Therefore it is of vital importance that relations with either internal or external specialists are established.

10.4.4 The purpose of the business plan

The businessplan is the name of a method - process - that has for its final aim to be a written, realistic and tested plan for how the business-activity should be run the first three to five years.

The business-plan has several parallell purposes:

1 to develop the ability of the idea-carrier to transform the untested idea into a profitable project.

2 to test and deepen the unique quality of the idea both theoretically and practically.

3 to test and strenghten the market connection and profitablitycontrol.

4 to describe the project in terms and functions which are suited to the language of business economy.

The assessment of the quality of the idea and economical possibilities does not occur in the beginning, but towards the end of the work with the businessplan, that is to say when:

1 the unique qualities have been built into the idea.

2 possible marketing and test-sales have been evaluated.

3 the mix of products and services has been revalued.

4 the development of the profitability and need of capital can be overlooked.

10.4.4.1 Underlying conception

The main point in the work of the business-plan will be on the support and strenghtening of the idea-carrier ability ofeffectively and profitably managing the possibilities and risks with his idea.

The method is based upon the apprehension that it is difficult, almost impossible, to make a realistic evaluation of other businessideas. On the other hand it is easier to evaluate ideas that have been tested

on the market (even if it is only a test), where the different parts of the idea and inner logic of it can be tried and discussed.

The method is also based upon the apprehension that the idea-carrier and his network of contacts are more important for a successful project than the idea and access of capital. An unsuitable idea-carrier however much capital he has, will fail even with a good product. But, on the other hand, if a suitable idea-carrier works with an uncertain idea, a drastic redraft of the idea will be done so that a functional businessconcept develops.

Finally, the method requires supervision that is more focused on creative support and supervision of the idea-carrier than on evaluation and follow-up of the final result.

10.4.4.2 The method in its main features

The process of work, from the presentation of the idea to the judgement of the idea and to an approved businessplan, can be looked upon as numerous steps that succedssively raise the quality of the originate businessidea.

It is important for the idea-carrier to manage every step, because otherwise he will have no further support and supervision. A project, of course, might sometimes take several steps forward at the same time or even have to take one step back. It is in the nature of the process.

The steps should therefore be looked upon as recommended guidance of the level of effort and quality, and not as ideal description of a businessplan.

10.5 The business plan

At the realization of the businessplan the focus of work will change from planning to marketcontact and adaption. During the ideapresentation and judgement steps of the idea-carrier, interest is primarily concentrated on the idea, its development possibilities and market potential.

The following areas will be treated bellow:

- marketcontact and adaptation

- economy and finance

- the approval of the businessplan

10.5.1 Market-contact and adaptation

The purpose of this phase is to test the marketcontact of the businessidea and, if possible, extend and deepen it. This will be done in the two following ways:

1 find concrete ways to extend customer-contacts, and with practical saleswork, find out whether the strategy holds or not.

2 develop the unique characteristics of the idea, so that it may find its right way to the market.
This part of the business-plan will probably extend over a period of three to twelve months. It is crucial that the idea will have the time needed to mature and be tested in reality. Seen from a wider perspective, this is a creative and strategic process that will continue during its lifetime.

The marketcontact should be taken in two steps:

1 make a superficial (to save time and not to lose context) but broad (to extend the perspective to other market segments) mapping of:

a. the size of the market
b. the structure of competitors
c. contact- and distribution possibilities
d. the trend in the years to follow

2 testsales begin with separate contacts with customers. This will provide the idea-carrier with:

a. ideas how to adapt distribution and marketcontacts
b. early experiences and knowledge, which might facilitate the development of a calculation method.

At the same time it is also of importance that the test-sale will be done as "quietly" as possible, in order to minimize possible interest from the competitor and damage due to mistakes in the selling.

An extra advantage of the test-sale is that it might be easier to cooperate with suitable partners and creative customers who are interested in trying new ideas early for their own purposes.

When the results of the mapping and first test-sales are given, the first attempt to make a product-market strategy should be made. The purpose of the strategy is to broaden marketcontacts and give the businessidea the combination of characteristics that will give it a unique marketposition.

During this step the contact between the idea-carrier and the supervisor will be deepened. This will give them both a better understanding of how they can help each other during the process. It is no longer a question of "if", but of "what" and "how"!

10.5.2 Economy and finance

Since there may be some differences between Sweden and Zambia in making calculations etc, I will only point out some important questions that must be answered in order to fulfil the businessplan:

- cost, benefit and resultdevelopment during the first three to five years.

- the need of capital during the first three to five years (regarding current as well as fixed costs).

- the forms and sources of financing, the need of capital and resultdevelopment.

- forms of ownership and owner-sharing

- roughplanning of the "take-off", so that the need of capital can be minimized without increasing risks.

The most important thing when it comes to choosing a calculation method, is to work with the same and not trying to make changes in the method. The advantage is that it is possible to make comparisons.

The calculation should cover at least three but preferably five years, and it should be divided into periods a maximum of three months in the beginning and twelve at the end of the period:

Year 1 - four three-month periods

Year 2 (first half) - two three-month periods

(second half) - one six-month period

Year 3 - two six-month periods

Year 4-5 - twelve month-periods

The purpose of the calculation is to judge profitablity, sensitivity of volumes and not to use it for budget-control.

At this phase, the experiences from the preceding step will become important, because it is the benefits and not the costs that are most difficult to calculate.

A businessproject must give an 0-result in the 24th month at the latest after "take-off", if it is going to be judged as interesting.

The need of capital:

The need of capital - or you might instead call it "lack of money in the wallet" - is more essential as an economic indicator of the condition in a new-started businessactivity. Newstarters have usually no capitalbudget. Instead they are more dependent on their incoming payments. Since the need of capital is difficult to estimate and is often underestimated, the financing should be done gradually as the businessplan is being realized.

10.6 Approved business plan

At this phase the work of planning will switch from what is desirable to what is "politically" possible.

Therefore it is crucial during the work, to inform the company-management and receive feed-back so that changes in the business-plan can be made. The role of the mentor is of vital importance when it comes to judging what sort of businessidea is "politically" possible.

11 CONCLUSIONS

In Sweden and other Western European countries where this method, or similar methods have been implemented, the result has usually been succesful. Compared to companies with no actual business development method, the financial and know-how resources are more effectively allocated, and more businessideas develop to be tested on the market.

Experience says that the businessplan is the best selection mechanism, and that mentorship together with contactnet are crucial to support the intrapreneur during this process. Companies that are investing in intrapreneurshipprogrammes have become less sensitive to competition, more flexible to be able to respond to marketsignals, and they have often more motivated, and satisfied personnel. The last mentioned effect is a sign of the personnel feeling as a real human resource, and not as something that only costs money.

Where should companies "place" their potential intrapreneurs? I believe that "physical protection" such as certain premises is one solution, but the focus would rather be on "social protection". By this I mean that the business-idea and the idea-carrier need to be protected by internal mentors from people who do not have any interest, or do not believe in the project.

What about the possibilities of Zambian companies? Today many large, mature Zambian companies are quite centralized, and hierarchically oriented. Together with the fact that venture capital is very expensive, these are the most difficult obstacles for successful innovative business, but one must also consider the fact that it is the sellers´ market.

What possibilities have Zambian companies to implement innovative thinking, and why would they do it ? Even if it still is the sellers´ market in Zambia, companies have be aware of the quality as a competible factor. Competition has begun to be tougher, and to survive companies have to be more customer-, and personnel-oriented.

The challenge is to change attitudes among managers, to decentralize the organizational structure. If attitudes are changed, maybe managers will realize the value of motivated, and educated personnel, since it is the personnel that will be the keyfactor to succes.

Therefore, before a company starts with a intrapreneushipprogramme, the Topmanagement, have to be educated in Human Resource Management, including Human Resource Accounting. Naturally, the Topmanagement must also be educated in the advantage of creating an intrapreneurial organization. The length of this phase, depends on the size of the company, and of how hierarchically oriented the company is.

Is it realistic to believe that large, mature Zambian companies are open to this kind of businessdevelopment? I think it is realistic that new-thinking such as intrapreneurship, will at first only be adopted by few companies, but when and if the projects succeed, more companies will follow.

The "followers" then have to realize that they have to change their attitudes towards their customers, and personnel, if they want to survive. This will be a process that will take at least four to five years before you will be able to evaluate projects that started, and if there has been a change in the attitudes.

Finally, I would like to quote the "Ten Commandments of Business Developement" (unpublished from Albatross78 Företagsutvecklarna i Lund, Sweden):

1 Distinguish between different types of businessdevelopment:

– the closer the new idea is to the mainbusiness, the more integrated it must be.

– the more distant the idea is from the main-business, the more it will be developed under its own conditions.

2 It is the team and their net of contacts that will make an idea grow.

3 The entre-/intrapreneur must be a dedicated person:

– a dedicated person with sufficient support is able to transform an uncertain idea into profitable business.

– an undedicated person with lack of support, but with good ideas and a lot of money, often becomes a financial failure.

4 The net of contacts is decisive:

– is often an underestimated factor of growth.

– the entre-/intrapreneur needs three kinds of support - personal, professional and managerial.

5 Develop the idea together with the potential users:

– recruit the first customer as soon as possible and work together under the phase of development.

6 Be discreet:

– leave information to outsiders when you really must and do it as scantily worded as possible.

– underestimate your progresses outwards (but not inwards) and be neutral about your difficulties.

– the fantasies and expectations of outsiders are the most dangerous enemies before you are ready.

7 Make the mistakes as cheap as possible:

– begin in a small scale.

– in the beginning improvisations are often better than permanent solutions.

8 Company managements so called "strategy projects" easily become dangerous area:

– without a dedicated leader of the project, it will easily become expensive "learningmoney".

9 Give ownership to the realization of the business idea.

10 "Old" business ideas might be as new again:

– with added value (services, financing, product-information and so on).

Good Luck!

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QUESTIONNAIRE
Appendix 1

1 What kind of procedures do Zambian companies and organizations use to identify:

a. businessideas with potentiality to become successful projects?
b. personnel that are suitable for intrapreneurship?
c. the sort of freedom required for the personnel latent intrapreneurship to flourish?
d. what forms of recognition for achievement that might best suit the intrapreneurs?

2 What influence does the companyenvironment (Zambian culture and tradition) have on intrapreneurship?

3 Is the climate among companies one in which you feel that these types of programmes could be succeesfully introduced, or is the structure such that an alternative approach to intrapreneurship development might be more appropriate?

4 Do you believe that top managers are prepared to give the time, effort and enthusiastic support required to make these types of programmes successful?

5 What possibilities do companies have to provide intrapreneurs with venture capital?

6 What does the venture capital market look like, and what influence does the national economy have on the financial market?

7 If these types of intrapreneurship programmes should interest companies, how much money do you think that they would be prepared to put aside?

8 Do you believe that companies would be prepared to introduce new forms of financial incentives for intrapreneurial activities?

9 What significance do intrapreneurs personal, and professional network have on intrapreneurship?

10 How do people associate in private, and at work?

11 Do you believe that the potential intrapreneur could count on support from his family during the innovation process?

12 What influence on intrapreneurship has the fact that it is the sellers´ market talking of:

a. producer?
b. employer?

13 Can intrapreneurship:

a. create economic growth?
b. create less unemployment?
c. serve as an instrument to spread know-how within the company?

ENTREPRENEURIAL PERSONALITY -
A MUST IN DOING BUSINESS?
SEMINAR 8/7 1993

Appendix 2

A. BUSINESS DEVELOPMENT

1. Economic influence and obstacle for active innovational business

– Innovations creates economic growth, less unemployment and increase in export.

– With innovation means all activities that requires to establish a product on a market.

– Obstacles are: lack of knowledge, company-hostality, social welfare system and negative taxsystem.

– Innovations demands freedom within the organization.

2. Necessary conditions for innovational processes

– Idea/innovation.

– Suitable environment.

– Entrepreneur.

– Financial capital.

B. INTRAPRENEURSHIP

1. Intrapreneurship - why is it required?

– Changes in the pattern of competition.

– Cultural problems (internal and external).

– General sayings.

– Purposes of intrapreneurship.

2. Defining intrapreneurship

– "Any of the dreamers who do"

– Characters.

(cont. next page)

- Behaviors.
- Approaches.
- Not only product development.

3. Approaches
   - The individual intrapreneur.
   - The intrapreneurial team.
   - The intrapreneurial organization.
   - Intrapreneurial outposts.
   - The "climate of opportunities".

4. Support
   - Top-management.
   - Mentors.
   - Family, friends and colleagues.

5. Understanding the intrapreneur
   - Attributes, characteristics and drives.
   - Not the same as entrepreneurs.
   - Differ from the traditional corporate manager.

6. Incentives
   - Forms of recognition and motivation.

7. Developing programmes for intrapreneurs
   - Defining the framework for action (phase 1).
   - Identifying and selecting the intrapreneurs (phase 2).
   - Training the intrapreneurs (phase 3).
   - Advices.

8. Resulting effects in the mature organization

- The style of management.
- The environment.
- Business-strategy.
- Positive economic consequenses due to changes in the "climate of opportunity".

C. COMPANY EXAMPLE - UDDEHOLM TOOLING AB, SWEDEN

Background

Uddeholm Tooling AB is a long established tool-steel and other speciality steel products company located in Hagfors. It sales are approximately S300 mn. and it employes some 3000 people worldwide. Overall, the industri is static. However, a number of steps have and are being taken to turn the company around. These have included restructuring the worldwide marketing and sales organizations, extensive decentralisation and a number of steps to inrease business awareness, create a positive entrepreneurial spirit and to search for new opportunities within or outside the business.

The programmes

Uddeholm Tooling engaged in its first intrapreneurship training programme in August 1982. Five people participated in the School for Intrapreneurs, operated by the ForeSight Group. A second group was trained in 1983. From 1984 the intrapreneurship effort has been consolidated and augmented in order to support the different ventures, for instance by board participation and by providing working capital and distribution assistance.

With reference to the company´s initial reasons for becoming involved, Ulf Lomander explains:

"What we wanted to achieve with the intrapreneur concept was to locate people inside our organization who wanted to realise their projects and to make sure that they didn´t get stuck in the bureaucratic structure. We wanted the intrapreneurs to be role models for other people in tooling in Hagfors, a small town with 6000 inhabitants. We also wanted to see if we could combine the small scale approach of the entrepreneur with the advantages of the larger organization."

From the outset the ForeSight Group, which were consultants to the programme, insisted on top management involvement. "This", says Ulf Lomander, "has proven to be very important. It has provided support for bypassing the hierarchical structure". Also important has been the support of the trade unions and of the tooling managers from whose divisions and department candidates for the intrapreneurship programmes were sought. A final key support role has been Ulf Lomander´s. Reporting to the managing director, he has had coordination and development responsibility for the initiatives.

The intrapreneur selection process at Uddeholm involves responding to letters and announcements. Upon applying, the candidate´s track record is evaluated and an interview takes place. Those selected work part time on their projects during the training period and on a full time basis once the business plan has been accepted. Their motivation is, according to Ulf Lomander, "a sense and recognition of achievement, since monetary rewards are very highly taxed in Sweden".

The results

To date, ten intrapreneurial ventures have been initiated through the intrapreneurship programmes at Uddeholm. One of these is Uddeholm Kraftsport which manufactures high quality weight lifting gear and body-building equipment.

Uddeholm Kraftsport was established as a result of the 1982 Intrapreneurs School by Lennart Andersson, previously working in the information department. Within a year, seven people were directly employed in the production and distribution of the equipment. The business started out as a profit centre, was then converted into a company with part ownership by Lennart Andersson and has now been sold to a venture capital company related to Uddeholm.

A number of other ventures, including Uddamelt which produces raw materials for precision foundries, and Process Control which supplies process control systems, have been or will be converted to separate companies from profit centres within existing divisions.

Says Ulf Lomander of these initiatives, "all existing ventures are profitable and have expanded in small steps. In total about 20 new jobs have been created in the Hagfors area, within or outside Uddeholm Tooling".

D. MANAGING INNOVATIONS - Discussion

1 Every company should have a thought-out and well-based innovation strategy.

2 Making an invention into a profitable innovation requires a good entrepreneur, a suitable environment and sufficient capital for development.

3 Most products can be marketed with good profitability.

4 A break-through invention´s future marketing possibilities cannot be determined by means of market research.

5 Innovation activity requires creative solutions that are hard to plan.

6 Innovation activity should have a sound capital foundation.

7 Fixed expence should be avoided for as long as possible.

8 Choose initially that section of the market that will most quickly give economic results.

9 All development must take place in close cooperation with the market.

10 A new product must be technically well tested before it´s launched.

11 Cost accounting gives knowledge.

12 Marketing a new product is to be done first in a near-by market.

13 A well coordinated and fruitful environment (infrastructure) in a locality makes innovation activity easier.

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Abstract card

Thuresson, J. Implementation of intrapreneurship inside large, mature Zambian companies - A method. Educational and Psychological Interactions (Malmö, Sweden: School of Education), No. 116, 1994.

Zambia is today suffering from great social and economic pressure. Economic life is trying to adjust to these circumstances, and also to the Government's implementation of a free market economy. Can intrapreneurship support the companies to become more innovative, and thereby survive? I believe that Zambian companies will, in intrapreneurship, find a method that will help them to become more structured in their efforts to develop new businesses. The challenge is to change attitudes among managers, and to decentralize the organizational structures. My "step-by-step"-method is one suggestion how to guide companies into the right direction. Supervisor of this Minor Field Study has been Gudrun Ekstrand.

Keywords: Business development, business plan, intrapreneurship, Zambia.

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